

The hospital management control system

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Abstract

The great importance has been attached to the steering of hospital performance, by the WHO and the Moroccan Ministry of Health, so hospitals, and more specifically university hospitals, have opted for an effective mode of control and for a results-based management targeting performance while taking into account the social dimension and non-market activity of public hospitals. Our problem is: what are the contributions of the management control system for public hospitals? To understand this problem, we based ourselves on a study by interviews with hospital officials. Our findings and conclusions can be of use to researchers, managers, and decision-makers in setting up a management control system in hospital settings while fostering accountability for managers moving from resource-based management. results-based management.

Keywords: Management control system, internal control, public institution, hospital, performance, governance

Le système de contrôle de gestion de l'hôpital

Résumé

Une grande importance a été accordée au pilotage de la performance hospitalière, par l'OMS et le ministère de la santé marocain, de ce fait, les hôpitaux et plus précisément les centres hospitalo-universitaires ont opté pour un mode de contrôle performant et pour une gestion axée sur les résultats ciblant la performance tout en tenant compte de la dimension sociale et de l'activité non marchande des hôpitaux publics. Notre problématique est la suivante : quels sont les apports du système de contrôle de gestion pour les établissements publics hospitaliers ? Pour bien cerner cette problématique, nous nous sommes basés sur une étude par des entretiens auprès des responsables hospitaliers. Nos résultats et nos conclusions peuvent être utiles aux chercheurs, aux responsables et aux décideurs pour mettre en place un système de contrôle de gestion dans les établissements hospitaliers tout en favorisant la responsabilisation des gestionnaires qui sont appelés à passer d'une gestion axée sur les moyens à une gestion axée sur les résultats.

Mots-clés : Système de contrôle de gestion, contrôle interne, établissement public, hôpital, performance, gouvernance

Introduction

In a context marked by the crisis, wastage and lack of good governance in the public hospital sector, the control system has emerged as a device that will support the financial control known for its search for compliance and regularity at the expense of efficiency and effectiveness. It is a question of opting for a control based on the reinforcement of the management capacity of the authorizing officers and on the need to make them more accountable for the efficiency of their expenses, instead of only checking the regularity of these. From the point of view of practice, this article proposes recommendations concerning the development of controls in hospital establishments and this, within the framework of a contractual approach between the guardianship and the said institution. We made the choice to situate our study in the Hassan 2 University Hospital Center in Fez, in which, it seemed to us that the problem of management control is still insufficiently explored; we will first examine the scope of the control. The financial department, while explaining how the Ministry of Finance is seeking to gradually ease down control and to focus more on performance monitoring and regularity control a posteriori. This development is favorable to the controls emanating from the public establishment, then we will show how the management control can be at the service of the "*contractualization*", finally, we will approach the practices relating to the control of management in the hospital establishment object of our research while highlighting the shortcomings noted.

1. The scope of financial control over public institutions in Morocco

Deux grandes périodes avaient marqué l'histoire du contrôle financier sur ces entités, la première avant l'avènement de la loi n° 69-00 et la deuxième après sa promulgation en 2003.

1.1. The financial control of public establishments before the advent of law n° 69-00

Financial control can be defined as financial supervision exercised by the Ministry of the Economy and Finance over public institutions as the person responsible for designing and controlling the execution of the overall financial policy of the State. Extended control bodies are often public administrative institutions with financial autonomy. The financial control of the state to which they are subject extends to all operations likely to have a direct or indirect financial impact. The system of state control as practiced to this day has the merit of promoting self-control practices. However, the protection and management of public funds appears to be an obsession with regularity checks. It is a matter of verifying that the resources allocated to public administrative establishments are regularly spent and presented in financial statements that correctly reflect a faithful image financial transactions. The weakness of the financial control comes from the fact that it is mainly interested in the regularity and the legality of the procedures not being able to apprehend the reality and the opportunity of management. It is a question of a control of regularity that of a control really concerned with the efficiency in the public management, this mode of control is reputed for:

- its rigidity and excessive severity in some cases which have all fed a stream of criticism towards it;
- its more than formal character in other cases, which is reflected in the multiplication of loopholes. Be that as it may, the predominance of this type of control does not favor the manager's accountability, this helps to explain that internal controls are still poorly developed in public

institutions. These limits prompted the public authorities to review the general conception of the controls exercised over these establishments.

1.2. The control system of public establishments and the advent of Law n° 69-00

The reforms introduced by Law No. 69-00 include the encouragement of controls emanating from public institutions, this law was extended by the draft reform of the control of public expenditure initiated by the Ministry of Economy and finances which aims at the empowerment and at the evaluation of the authorizing officer on the performance of his expenses.

1.2.1. Financial control within the meaning of Law n° 69-00

The control of public establishments is governed by the Dahir n ° 1-03-195 of November 11, 2003 promulgating the law n ° 69-00, this control is subdivided in two, a financial control a priori and a financial control a posteriori. A priori control is a preventive control that precedes the decision or commitment of a particular financial or economic operation, it therefore results in the obligation to submit any draft decision or commitment to the prior approval of the authority which exercises it and which is generally the supervisory authority (technical and financial). Post-clearance control occurs after a decision has been taken on the initiation of a particular operation, and even after its completion, it constitutes a result check because it only concerns acts consumed or operations completed. Both types of controls relate to accounting and financial, management and performance aspects. The promulgation of Law No. 69-00 comes to remedy the shortcomings and limitations of financial control over public institutions, it aims to modernize it and to guarantee a large autonomy to the administrative and management bodies without forgetting transparency of the management. The role of control is particularly important for public institutions subject to accompanying supervision. Accompanying supervision as a substitute for prior checking are those public institutions which provide evidence of the effective implementation of a management information and internal control system including, in particular, the following instruments: a Staff Regulations, an organization chart, a procedures manual, a contract regulation, a general ledger, a multi-year plan and an annual management report. It is also important to mention program contracts as a kind of tool for measuring the performance of public institutions while referring to management indicators. To correspond to changes in control, public institutions must mobilize a set of skills and resources allowing this flexibility, generally state control over public institutions will be modular. The Ministry of the Economy and Finance relies on the success of the financial control reform, this success will be measured by the migration of the control before the control of accompaniment.

1.2.2. Reform projects outstanding: the reform of public expenditure

In parallel with the reform of the financial control, the public authorities introduced the modular control of the expenditure. The latter means that certain redundant and redundant controls linked to low-risk or minor expenditure no longer have to be performed by the public auditors and accountants, but by the authorizing officers. It is a way of both empowering the latter, streamlining the public expenditure circuit and reducing payment delays. After lightening the prior checking on certain expenditure for the benefit of authorizing officers, the Ministry of Economy and Finance plans to qualify the latter to enable them to benefit from the reductions in the consequent control. It is a question of opting for a modulated control based on the reinforcement of the management capacity of the authorizing officers and on the need to make them responsible for the efficiency of their expenditure instead of checking only the regularity of these. In this sense, the Ministry of the Economy and Finance seeks to pursue its modernization policy by optimizing and reducing control a priori while initiating in an organized and coherent way the transfer of control a priori to the authorizing officers. Public institutions are called upon to reorganize their internal management to be ready to take control of their regularity in the medium and long term and to report on the results achieved. The relaxation of the regularity check in favor of ex-post control depends on the management capacity available to each authorizing officer. It is therefore important to move towards promoting the initiative of public managers and to encourage their freedom of action by giving them more and more room for maneuver. To do this, we must seek to raise the standards of performance among stakeholders in public spending and move towards a modern control focused on notions of efficiency rather than the notions of formal control. This evolution is very important both for the users and for the public establishment itself, which will certainly gain in efficiency and productivity.

1.3. The emergence of controls resulting from the public establishment

The accountability of managers and the consideration of performance lead to the development of controls: internal control and management control, this dynamic finds its source in the new public management. The gradual extension to the administration of managerial rationality where efficiency takes precedence over all other considerations leads to the questioning of legal rationality and the deployment of modernization policies. The new public management has been to encourage the intrusion of private sector models and individuals into the public sector. *Contractualization* will be everywhere the vector of this relaxation. The situation prevailing in Moroccan public institutions before the advent of internal controls is the predominance of external controls. The structural and organizational shortcomings of these establishments must be filled by controls resulting from the

public establishment: internal control and management control. Management control consists of following quantitative and qualitative data for steering and decision-making, revising and supporting legal financial control. Controlling the performance of a public institution means choosing your actions by anticipating their performance, monitoring their progress to ensure that everything goes as planned, reacting quickly in the event of any deviation, regularly forecasting at what level. The performance is directed to ensure that we will achieve the objectives pursued and take timely corrective measures in case of anticipated difficulty. Through this approach, the organization analyzes within it a spatio-temporal perimeter identified with the help of its own tools to discover the relationship between the means it uses, the objectives it sets itself and the results it gets in order to increase control of its management. While the management control approach is universal, the tool is contingent. Indeed, in the absence of general and analytical accounting in the H2-UHC, indicators and dashboards remain the most appropriate instruments to control the performance of this institution. Each dashboard corresponds to a responsibility center on which a responsibility plan and a management animation have been defined in order to reach the performance objectives. The dashboard makes it possible to verify the conformity of the achievements with the strategic, management or operational objectives, to trigger corrective actions on the means, to redirect the objectives or even to retarget the action and this, within the framework of action plans multiannual (3-5 years). Finally, it should be noted that the dashboard approach is the business of all the hierarchical levels that must be involved, which is not the case of the institution that is the subject of our research. Management control coexists with other control mechanisms, including internal control. The presence of an internal control system is a prerequisite for the emergence and development of management control in public institutions. Internal control is not a fad, it is gradually imposed in the public sector as it has become established in private companies.

2. Management control and public institutions

In practice, public institutions are confronted with the autonomy / control dilemma. Contracting is a solution to this dilemma.

2.1. The autonomy / control dilemma

From the analysis of the state control system on public institutions, we can observe that this system faces an autonomy/control dilemma. In fact, it is a question of dealing with the conflict of interest between the state and the public institutions, which forces them to produce incomplete information (asymmetry of information). It can be said that the conflict of interest may appear as the consequence of incomplete information. Given the state's desire to control its public institutions and their desire to manage their activities with greater autonomy, the program-contract is the optimal

solution to protect the interests of both parties. The program-contract is an interesting innovation in public management practices in that it defines a framework within which the institution can regain the full exercise of its responsibilities at the local level, because the more the situation the tutelage becomes pervasive, leading to increasing confusion of powers and responsibilities..

2.2. The scope of the contract

The program contract, which is a written act of an administrative and non-judicial nature that materializes the reciprocal commitments of the state and public institutions around common interests, guarantees a better visibility of the public action, favors a logic of results, empowering actors and acting on management methods, it tends to replace the reports of state authority on the public institution and control "fussy", this is what justifies their success in around the world. Management control is inseparable from the concept of management delegation. The more one delegates, the more it is necessary to frame it by quantified objectives entrusted to the delegates and by a return of information at sufficiently frequent intervals on what the delegates have done, the results they have achieved and the agreed objectives. The management controllers follow the objectives contracts with indicators that they put in place or help to build with the operational managers. At the end of each "program" an assessment of the results could be made by comparing the achievements of the public establishment with the objectives set by the contract, in such a way that it would be possible to implement a veritable efficiency control, In fact, guardianship must have a battery of relevant and effectively observable indicators that allow it to accurately measure the activity of the public institution and to set reasonable goals that are appropriate to its real means.

2.3. The new distribution of powers

The aim of the last reform is to fight against the rigidities, the compartmentalization of the hospital and to associate the practitioners with the management of the establishment as well as with the implementation of its main orientations. The board of directors pursues a strategic and less managerial mission, its control missions are strengthened, nevertheless, the executive council participates in the definition of the general policy, it creates the conditions of a medico-administrative piloting likely to resort to Dashboards.

3. The tools of good hospital governance

The public hospital is a complex environment, if the ultimate goal is to provide quality care to generally less well-off and lower-income populations, it is important to put in place a system that ensures a certain balance between the different parties. Stakeholders in the hospital transaction.

Thus, several actions are possible to ensure a good approach of governance based on management control in a hospital environment.

3.1. A goal setting process and monitoring of their achievement

In practice, good governance is not limited only to rearranging conflict resolution procedures, it also establishes a new way of steering. The internal *contractualization* process helps to support changes in behavior by facilitating the transition from a situation of systematic demand for additional resources to the establishment of a willingness to arbitrate at best between the needs expressed. The allocation of resources depends on the setting of objectives and clear monitoring rules, the latter point is facilitated by the dashboards through which the management team gets insights on the medical aspects. The dynamic of grouping services within a business unit aims to reach a critical size, allowing for example to create room for maneuver in terms of personnel management, it also makes it possible to eliminate silos and develop new skills. management channels. At the pole level, we are witnessing the emergence of a federation of different forces around a common project, that is to say the creation of a space of consultation in the service of an objective, the pole is also the place where a link between the institution's strategy and the operational processes is established. According to the principle of subsidiarity, the delegation of management allows the fact that the decisions are not taken far from the field, this decentralized management relies on a logic of approach by project described in the contract of pole. The monitoring of this pole contract is ensured by the dashboards.

3.1.1. Decentralize the management control itself

It is important that there is greater association with the medical profession and the management at the level of the poles, this greater involvement and this proximity with the field imply to diversify the tools of piloting and measurement of the performance, in particular to Through the creation of balanced scorecards, this new approach implies in addition to management accounting to know the main principles of quality procedures, including the analysis of processes..

3.1.2. Specialize in management control

Besides the constitution of tools of control closer to the field for which a certain imperfection can be tolerated, there is also a need for specialization to carry out advanced investigations, in particular in terms of cost accounting, such as ABC/ABM methods which favor an activity-based approach. These two trends require management controllers to have diverse profiles, able to formalize complex tools, to synthesize various and varied information, to build computer queries while being able to integrate medical and caregiver issues and to provide expertise in quality and process efficiency.

The study of the evolution of the practice of management control over time has brought important theoretical arguments on the need to redefine the place of the management control system, this redefinition is already underway and its first steps have been the movement for strategic management control, the development of new planning and control tools and finally the conceptual framework of control proposed by Simons (1987b).

4. The practice of management control: an exploration of the reality of H2-UHC

The empirical work aimed at exploring the reality of management control practices was conducted with the managers of H2-UHC. The interviews allowed us to collect quantitative and qualitative data that will allow us to build a theoretical model that will be validated in the field.

4.1. The methodology adopted

In our research, we based ourselves on a study by semi-directive interviews with the managers of this hospital center. The objective of this research is to try to explain the effect of the practice of management control on hospital performance (improvement of the supply of care in Moroccan public hospitals), indeed, in a complex context, management control must be used as a means of defining processes and controlling the consumption of resources, it is a tool which makes it possible to improve the functioning of hospital organizations and consequently the democratization and the development of the conditions of citizens' access to medical services.

4.2. Management control: a non-reactive system

The management control has a relative impact on the performance of the H2-UHC since it does not control it perfectly. The operational managers carry out a follow-up of the objectives as long as they are not involved in their choice, then, the management control meetings are turned more towards the presentation of the results than towards the research of the causes of the gaps and the research corrective actions, this is explained by the non-reactive nature of the management control system. If a discrepancy occurs, its causes are not systematically sought and rectification is not often done to get closer to the objective, the management control is considered neutral in the sense that its role is limited to the declination of strategy with a lack of the role of actors in the construction of the system that does not present itself as a way to unify the representations and animation, in addition, the information systems have shown an inability to feed the indicators into reliable data Finally, there is an ambiguity in the objectives set for managers and a presence of multiple goals that are ill-defined and changing.

4.3. "Contractualisation": a practice preceding the management control

Although the hospital establishment that is the subject of our study has not ratified a program contract with its supervision, the contractual practice that the state seeks to concretize more and more is likely to face the lack of structuring of public institutions. indeed, how can their performance under a program contract be evaluated if the management information system is lacking? Before deciding whether or not to adopt the program contract, it is first necessary to gather the key success factors for which management control is, among other things, a fundamental element. We can't have relevant indicators to measure the performance of the contracting hospital institution if it does not have a management control system that receives the support of all the actors and if information is faulty. It is paradoxical to note the ratification of the program contracts between the state and the public institutions without these two parties putting in place a management control system, which explains the failure of the majority of the program contracts, particularly in the social sectors and more specifically hospital.

Conclusion

While regularity control is ideally suited to a poorly scalable management system, it is less so for a dynamic and complex system that characterizes today's public institutions. Financial control is expected to evolve and coexist with management control, this has led officials to reform this control to make it a little lighter. The management information system and the internal control system are as important as financial results or growth in the performance of public institutions. The combination of these elements allows the public establishment, on the one hand, to move from a priori control to an accompanying control, on the other hand, so that the seemingly contradictory principles of autonomy and control become reconcilable. A compromise negotiated between the state and the public establishment is necessary "contract". At the end of each "program" an evaluation of the results could be made by comparing the achievements of the public establishment with the objectives set by the contract, in such a way that it would be possible to implement a real efficiency control. In this context, management control is the corollary of contracting. Internal control in H2-UHC does not promote the development of management control. For its part, management control does not have a complete impact on the management of the performance because it is not completely reactive, the reactions to the deviations and the rectifications are not done systematically to get closer to the On the other hand, on-the-spot information systems do not allow the indicators to be fed with reliable data in order to follow objectives that are set in an ambiguous way. The practice of management control and external *contractualization* marks the will

to limit the controls of the state and to go towards the promotion of the initiative of the public managers thus favoring their freedom of action.

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